

*Remarks for the
Joint Legislative Budget Committee Meeting
November 14, 2001*

Good morning. In recent weeks, we've watched as the events of September 11 have affected an already sluggish economy. Now, economists are predicting we will not begin to recover until at least the third quarter of 2002.

Even before September 11, we knew we were headed for difficult budgetary times. Overly optimistic revenue projections have become all too real.

We know the revenue projections for the Fiscal Year 2002 budget were too high. I'm not placing blame; I'm simply stating a fact. We have to be prudent and practical in our work for the 2003 fiscal year.

Because of the '02 revenue projections, I asked state agencies last May to budget only 45 percent of their appropriations for the first half of the fiscal year. The agencies that took this action are in a better position today than others.

Yesterday, state agencies were forced to reduce their budgets by 3.35 percent because revenue collections have fallen below 98 percent of the estimates. Year to date collections are more than \$66 million below estimates.

As Governor, I have a fiscal responsibility to the people of this state. It is a responsibility I take seriously, and one I have never shied away from.

In this budget process, we must remember we are dealing with real numbers and real people. They deserve and demand real solutions, not false hopes.

I am here today to work with you on real solutions. That's what is expected of us, and I know we can meet those expectations.